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TELEGRAM

13 MAY 70 00 19z

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY
IMMEDIATE DATE 5 MAY 1980
RDS☐ or XDS☐ EXT. DATE
TS AUTH. REASON(S)
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ACTION: Amembassy ROME

STATE

CIVAIR

DELIVER MFADOWS 0900 WEDNESDAY

1. Our major problems with positions outlined informally by Santini are number of Italian points, San Francisco as Italian point, multiple designation, and safety valve on capacity. Also troublesome are exclusion FRG and Switzerland as all cargo intermediates, and level of all cargo services in interim period.

2. In order determine whether there is possibility of reaching a deal at this time, USDEL should first sound out Santini informally to see if he would be receptive to a package involving our major preoccupations along following lines:

A) NYC, Chicago, Washington, Philadelphia, Boston, LA for Italy, with US limited to twelve named gateways (for combination services).

B) We could move to seven points for Italy (not

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E/OA/AN:MHStyles:fbp	5/12/70	21232	E/TT - Frank E. Loy

CLEARANCES:
CAB - Mr. Watson
EUR/AIS - Mr. Beaudry
DOT - Mr. Binder

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ACTION: XXXX including San Francisco but including Dallas if desired by GOI) if "From the US" and "From Italy" formulations used without any qualification. FYI. If Santini willing give some other substantial concession, we might also be willing to go to seven points, but we would want know what other concession is before deciding whether authorize you make offer. End FYI.

C) We need to give Santini multiple designation language which meets test set forth para 1(A) State 69798 and determine if he finds it acceptable. Please report language given Santini.

D) We want Brazil formula on capacity with only one year freeze. FYI. We recognize that in commercial terms Italian formula unlikely to restrict US carriers unacceptably. Our problem is over principle of using a formula, since it could open door for adaptation elsewhere and lead to predetermination. If this issue remains sticking point, we would wish review matter. End FYI.

E) Re other points, we accept formulations outlined

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~~ACTION~~ in tel.con. However, we do not believe USDEL should stick on 14-20-26 levels for all cargo services in interim period, although we do not know at moment what acceptable minimum would be.

3. If ~~if~~ if appears that agreement can be reached within this framework, you should go into formal sessions to seek agreement. If not, repeat not, USDEL should report back, advising Italian reaction. We would then see if further moves on US side warranted or possible. If our answer negative, our thinking is USDEL should then go privately to Santini and suggest that conversation which stems from para 2 above be wiped out and that both sides put positions on table formally to establish basis for recess and further consultations at later date. By this we mean Santini would put on table position outlined privately on Tuesday (less items he said required further thought, such as behind gateway, Switzerland and FRG as all-cargo intermediates, etc.) USDEL would table position presumably something like para 2 above (but excluding mention seventh point) but details

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~~ACTION~~ would have to be worked out at that time. If Santini unwilling place on table position revealed in private or if he did not do so fairly, US would not table (or it should withdraw) its position; and talks would be recessed. END

[ROGERS]

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